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HT.

December 29, 2005

VIA FAX - 231/775-1511

Mike Stifler
Environmental Engineer, Water Bureau
Michigan Dept of Environmental Quality
Cadillac District Office
120 W. Chapin Street
Cadillac, MI 49601-2158

JAN - 3 2006

CACILLAD DISTRICT OFFICE

Re:

Williamsburg Receiving and Storage, Inc.

Dear Mike:

Since this is a short work week, I am providing one substantive status report and will resume next week with additional status reports to you related to the progress of my client on order control and water management issues.

Please be advised that my client has continued to haul 10,000 gallons per day to the Northern A-1 Kalkaska facility. On some says (like Tuesday of this week) WRS hauled 20,000 gallons per day. Further, as was discussed in my last status report, WRS Management met with Reed City Waste Water Treatment Plant officials on December 23, 2005. Reed City officials have indicated that documentation to accept waste water is in place, but they cannot begin receiving water until some time during the week of January 2, 2006. As I believe you are aware, the Reed City plant suffered an upset event which placed their facility out of balance, and the plant is still recovering from that event. Reed City hopes to have the situation under control so that they can begin accepting waste water from the WRS facility next week.

WRS has also contacted the Muskegon County Waste Water Treatment Plant and they have indicated that they have the ability to accept a significant quantity of waste water, but it will take at least three weeks before they can begin accepting waste water. WRS has also contacted the City of Ludington and is awaiting an answer from the City Manager relating to their ability to utilize the City Waste Water Treatment Facility as a treatment option.

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Finally, additional analytical samples were submitted on December 22, 2005 to SOS Analytical in Traverse City to provide some follow up documentation to the Traverse City Waste Water Treatment Plant. It is our understanding the City of Traverse City and Grand Traverse County are discussing logistical requirements. We are still awaiting approval from the city and county.

With respect to other odor control issues, please be advised that WRS has constructed vapor covers on sumps and tanks. As was discussed previously, carbon filter equipment is being purchased from Marathon Petroleum and it is our sincere hope to complete that purchase and install that equipment on a more permanent basis near the end of January, 2006. In the interim, my client has leased a Carbon Filtration Odor Control System which I understand is being installed as I am writing this letter. WRS is purchasing carbon for the system and hopes to have it operational within a week. I am advised by Rick Rusz that additional odor complaints were received over the weekend. Unless neighbors are getting an occasional fugitive odor from the lagoon, there should be no additional odor emanating from the facility itself. As is addressed previously above, every effort is being made to lower the volume of the lagoon as quickly as is economically and pragmatically possible considering the limited sources who can receive the water at this time. I am sure you may have some additional questions or comments after your receipt of this update. Accordingly, please feel free to contact me with any questions or comments you may have.

Sincerely,

ZIMMERMAN, KUHN, DARLING, BOYD, TAYLOR AND QUANDT, PLC

Direct Dial: (231)947-7901 x115 iequandt@zimmerman-kuhn.com

JEQ:trg

cc:

Chris Hubbell Brian Smith

Barry Selden (via fax)

Janice Heuer

Sy Paulik

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Rick Rusz (via fax)

Andy Smits
Ralph Dollhopf
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